

PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Thomas M. Miller, Director
James LoBue, Deputy Director *JAL*
DATE: February 9, 2010
SUBJECT: Adopt a Resolution Authorizing the Purchase of Assessor Parcel Numbers 090-122-035, 090-122-036, and 090-122-037, Located on Trout Avenue in Kings Beach from BB, LLC, a California Limited Liability Corporation, for \$375,000 Plus Escrow and Closing Costs Not to Exceed \$20,000; Authorize the Redevelopment Director or Designee to Sign all Related Documents to Effectuate the Purchase; and Add the Properties to the Redevelopment Agency's Master Fixed Asset List.

ACTION REQUESTED

Adopt a resolution authorizing the purchase of assessor parcel numbers 090-122-035, 090-122-036, and 090-122-037, located on Trout Avenue in Kings Beach from BB, LLC, a California limited liability corporation, for \$375,000 plus escrow and closing costs not to exceed \$20,000; authorize the Redevelopment Director or designee to sign all related documents to effectuate the purchase; and add the properties to the Redevelopment Agency's Master Fixed Asset List.

BACKGROUND

On July 23, 2007, the Redevelopment Agency (Agency) and BB, LLC entered into an Exclusive Negotiating Rights Agreement (ENRA) for the purpose of pursuing a mixed-use development in Kings Beach. The terms to be negotiated in that agreement included the developer conveying to the Agency three vacant parcels on Trout Avenue (Property) in Kings Beach (APNs 090-122-035, 090-122-036, and 090-122-037) for the intended purpose of developing affordable workforce housing. On October 23, 2007, the Agency received authority to accept a no-cost land conveyance from BB, LLC for the Property. The no-cost land conveyance was not completed because BB, LLC refocused its development proposal and objectives in design and construction of its primary development proposal located on State Highway 28 and Salmon Avenue. Both the land conveyance agreement and ENRA have expired and the terms and conditions are no longer valid.

Even though the land conveyance agreement expired, the Agency proceeded forward, with the consent of the BB, LLC, to partner with Domus Development, LLC for the design of affordable workforce housing on the Property. The development proposal includes the building of one (1) apartment structure with five (5) affordable housing units and nine (9) surface parking spaces. There will be one (1) one-bedroom unit and four (4) three-bedroom units. Design / Site review for the planned development has been completed. All other County and Tahoe Regional Planning Agency (TRPA) approvals are in place. TRPA approved the development proposal on August 10, 2009.

The Agency plans to return to your Board at a later date to request authority to enter into an Option Agreement with Domus Development for the Property. The proposed Agency acquisition and Option Agreement would provide adequate evidence of site control that is required for Domus Development to be considered for Tax Credits funding for the housing project.

Board approval of this item would add the property to the Agency's Master Fixed Asset List.

PURCHASE AND SALE AGREEMENT TERMS

The following are the key terms of the Purchase and Sale Agreement (attached):

- **Price:** The agreed upon purchase price is \$375,000 plus escrow and closing costs not to exceed \$20,000. The Agency negotiated for the property in an "As-Is" condition. The Agency received an appraisal as of June 23, 2009 to establish the market value of the site. The appraisal was performed by Johnson-Perkins & Associates, Inc. and was prepared in conformance with the current Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation. The Market Value of the property unencumbered fee simple interest as of June 23, 2009 was determined to be \$375,000.
- **Environmental:** The Property is believed to be free from any environmental contaminants as supported by a Phase One Study, dated September 21, 2007, prepared by Kleinfelder West, Inc.
- **Due Diligence:** Agency staff secured a preliminary title report dated July 6, 2009. Since the land is vacant, the Agency will obtain a CLTA (California Lenders Title Policy) title insurance policy. The purchase and sale agreement contain a feasibility period of forty-five days from the effective date, to complete any remaining due diligence prior to Agency payment and property transfer.
- **Operational and Maintenance Expenses:** Upon acquisition, the Agency will incorporate the Property into its Master Fixed Asset List. The Agency will be responsible for maintenance of the Property until such time as the Property is conveyed to a third party. Adequate funds have been budgeted for these activities. There are no existing structures on the Property.
- **Other:** On July 22, 2009, TRPA held a public hearing to amend the boundary line of the Kings Beach Community Plan and Plan Area Statement 028, Kings Beach residential, incorporate APN 090-122-036 and 090-122-037 into the Community Plan Area, and amend urban design and development special policies of the Land Use Element. This TRPA approval deed restricted APNs 090-122-036 and 090-122-037 for affordable housing to facilitate implementation of affordable housing in the Kings Beach Community Plan.

FISCAL IMPACT

The Property acquisition cost is \$375,000 plus up to \$20,000 in escrow and closing costs. The Agency's Fiscal Year 2009/2010 Final Budget contains sufficient funds to purchase the Property. There is no impact to the County General Fund.

ENVIRONMENTAL STATUS

The requested action is to authorize execution of a Purchase and Sale Agreement. The development proposal for the Property consists of one apartment structure with five (5) affordable housing units and nine (9) surface parking spaces. A Mitigated Negative Declaration for this development proposal was prepared by the County pursuant to the California Environmental Quality Act and was certified by the County as document PMPB 20080192. Specific findings and mitigation measures shall be implemented with the project as described in the Notice of Determination which was filed on July 22, 2009.

RECOMMENDATION

Adopt a resolution authorizing the purchase of the Property from BB, LLC, a California limited liability corporation, for \$375,000 plus escrow and closing costs not to exceed \$20,000; authorize the Redevelopment Director or designee to sign all related documents to effectuate the purchase; and add the properties to the Agency's Master Fixed Asset List.

Attachments: Resolution
Map
Purchase and Sale Agreement

cc: Karin Schwab, Agency Counsel

CONTRACT/AGREEMENT
FOR REVIEW ONLY AT
THE CLERK OF THE BOARD

Before the Redevelopment Agency of Placer County Board of Directors County of Placer, State of California

In the matter of:

Authorizing the purchase of assessor parcel numbers 090-122-035, 090-122-036, and 090-122-037, located on Trout Avenue in Kings Beach from BB, LLC, a California limited liability corporation, for \$375,000 plus escrow and closing costs not to exceed \$20,000; authorize the Redevelopment Director or designee to sign all related documents to effectuate the purchase; and add the properties to the Redevelopment Agency's Master Fixed Asset List

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Redevelopment Agency Board

of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Clerk of said Board

Chair, Agency Board

WHEREAS, the Redevelopment Plan for the North Lake Tahoe Redevelopment Project Area (Redevelopment Plan) was adopted by the Placer County Board of Supervisors on July 16, 1996 by Ordinance No. 4753-B and as subsequently amended from time to time;

WHEREAS, the Redevelopment Agency of Placer County (Agency) is vested with responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the

Health and Safety Code of the State of California) to implement the Redevelopment Plan in the North Lake Tahoe Redevelopment Project Area;

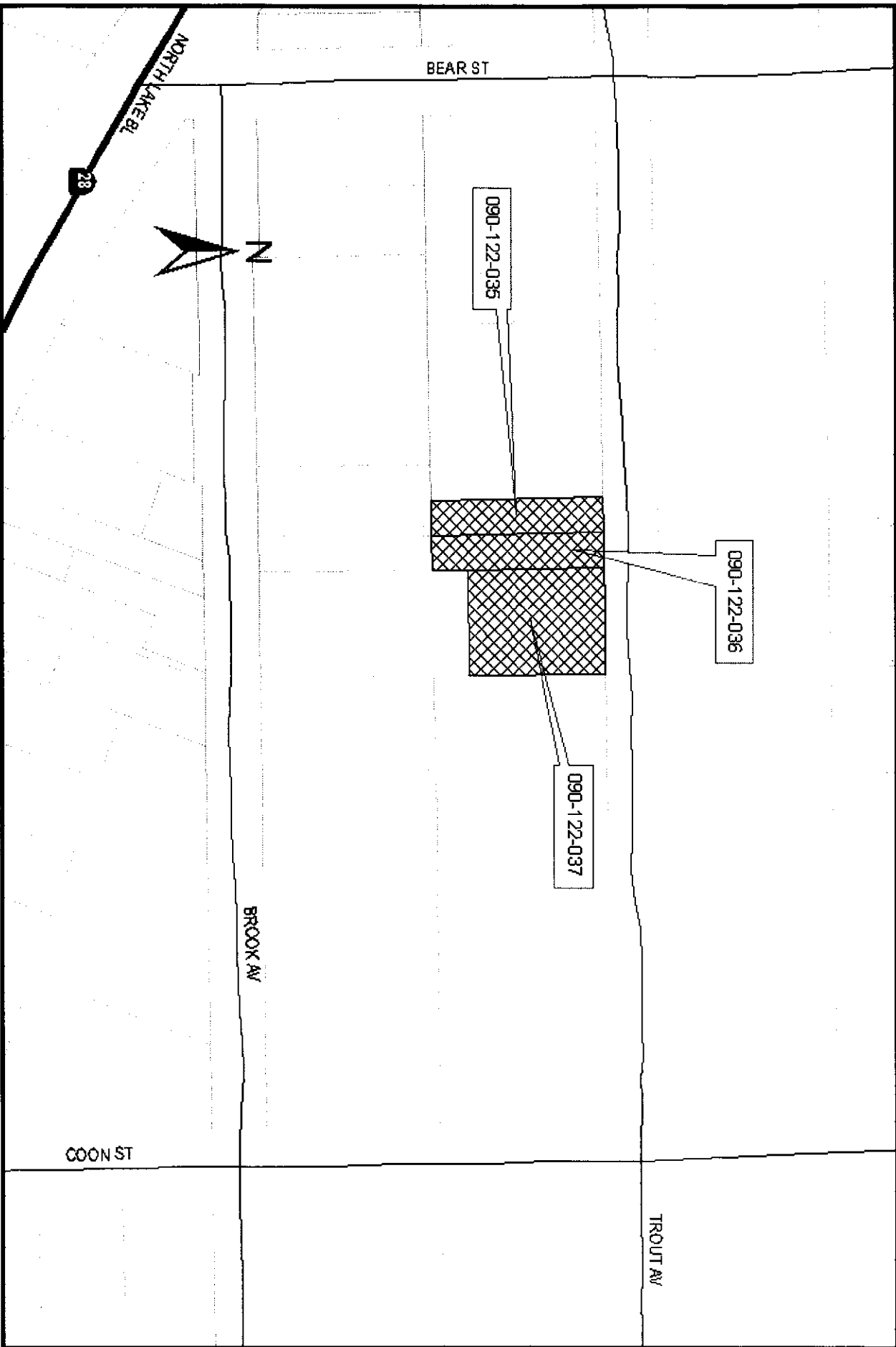
WHEREAS, the Agency intends to purchase certain real property located on Assessor Parcel Numbers 090-122-035, 090-122-036, and 090-122-037 (Property) in Kings Beach from BB, LLC, a California limited liability corporation, for \$375,000 plus escrow and closing costs not to exceed \$20,000 for the purposes of developing affordable housing;

WHEREAS, by staff report accompanying this Resolution and incorporated herein by this reference, the Agency has been provided with additional information upon which the findings and actions set forth in this Resolution are based; and

WHEREAS, the Property has a development proposal pending which consists of one apartment structure with five (5) affordable housing units and nine (9) surface parking spaces. The development proposal was determined to have no significant effect upon the environment by Mitigated Negative Declaration No. PMPB20080192, which was prepared and certified by Placer County pursuant to the California Environmental Quality Act and a mitigation and monitoring plan were made a condition of the project approval and filed with a Notice of Determination on July 22, 2009.

NOW, THEREFORE, BE IT RESOLVED by the Agency of the County of Placer that based on information presented to the Agency Board and in compliance with requirements of the California Health and Safety Code, the Agency finds and determines as follows:

1. All of the above recitals are true and correct, and the Agency has based the findings and actions set forth in this Resolution, in part, on such recitals.
2. The Agency Board approves the payment by the Agency of \$375,000 plus escrow and closing fees not to exceed \$20,000 for the purchase of the Property from BB, LLC, a California limited liability corporation.
3. The Agency Board authorizes amendment of the Agency's Master Fixed Asset List to include the Property.
4. The Agency Board authorizes the Redevelopment Director or designee to sign the Purchase and Sale Agreement and all related escrow documents pursuant to the Purchase and Sale Agreement and to take such actions and execute such other documents as are appropriate to effectuate the intent of this Resolution.
5. This Resolution shall take immediate effect from and after its passage and approval.



Steven Brown / Trout

Before the Redevelopment Agency of Placer County Board of Directors County of Placer, State of California

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Authorizing the purchase of assessor parcel numbers 090-122-035, 090-122-036, and 090-122-037, located on Trout Avenue in Kings Beach from BB, LLC, a California limited liability corporation, for \$375,000 plus escrow and closing costs not to exceed \$20,000; authorize the Redevelopment Director or designee to sign all related documents to effectuate the purchase; and add the properties to the Redevelopment Agency's Master Fixed Asset List

Resol. No: 2010-29.....

Ord. No:

First Reading:

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of the County of Placer at a regular meeting held February 9, 2010,

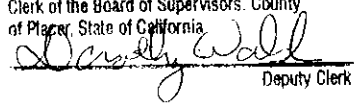
by the following vote on roll call:

Ayes: ROCKHOLM, WEYGANDT, HOLMES, MONTGOMERY

Noes: NONE

Absent: UHLER

THE FOREGOING INSTRUMENT IS A CORRECT
COPY OF THE ORIGINAL ON FILE IN THIS OFFICE
ATTEST

ANN HOLMAN
Clerk of the Board of Supervisors, County
of Placer, State of California

Deputy Clerk

Signed and approved by me after its passage.

Attest:

Clerk of said Board




Chair, Agency Board

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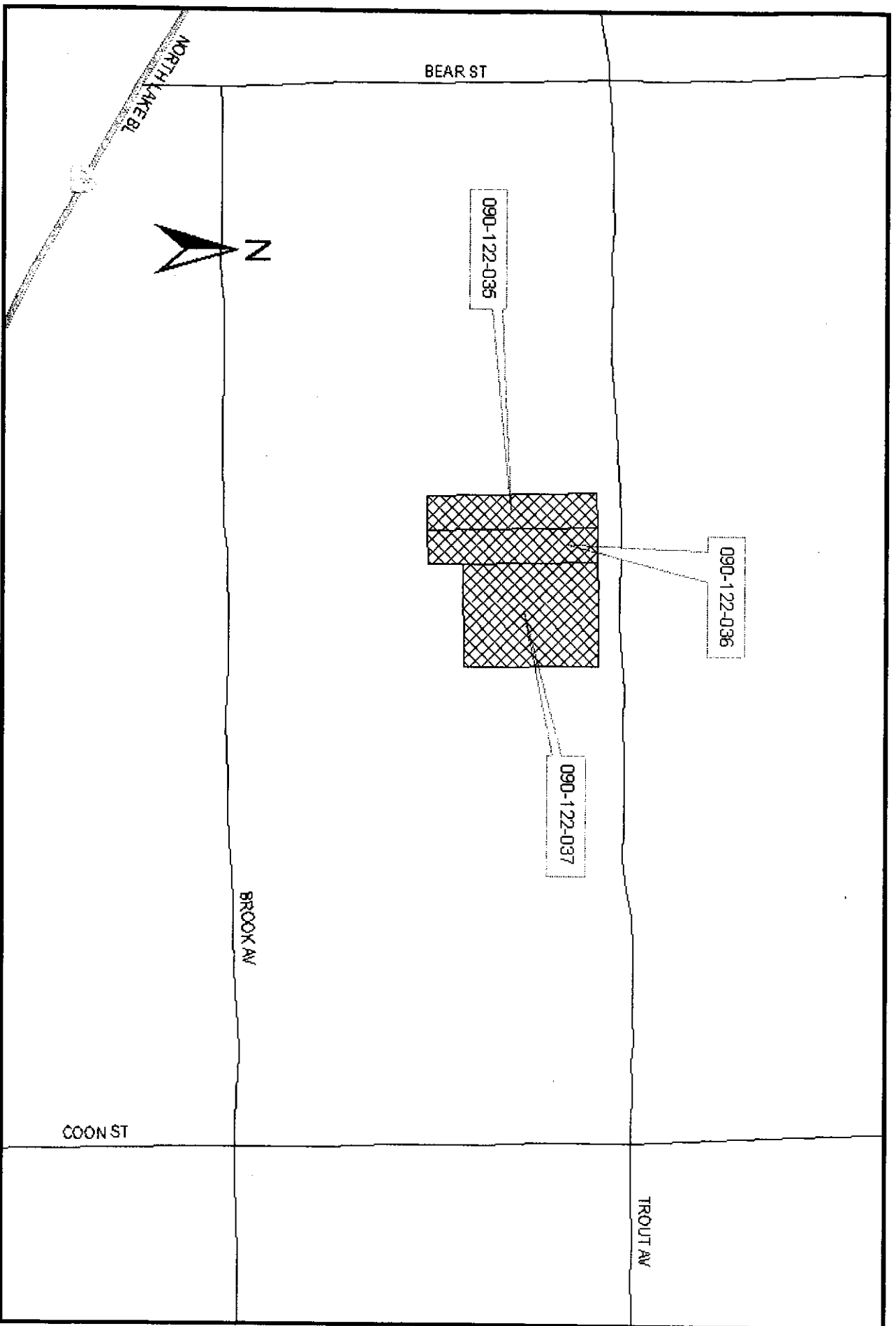
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Steven Brown / Trout